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1. Belgian and French views on German situation -- According to US Ambassador Kirk in Brussels, Belgian Premier Spaak's initial satisfaction over recent developments concerning Berlin has been tempered by "a note of caution." Spaak warns that the western powers must not relax their efforts to achieve collective security. Spaak feels that if the blockade is lifted in accord with the stated Soviet conditions, the western powers will have gained a real diplomatic advantage and the USSR will save face through western willingness to hold a CFM conference on Germany.

US Ambassador Caffery reports that the French Foreign Office is apparently thinking in terms of a CFM meeting on Germany in the latter half of May. The Foreign Office, which reportedly anticipates that the Soviet proposals will be very liberal, believes that the most desirable solution would be to maintain east and west Germany as they are but with commercial relations restored. The Foreign Office considers that if the USSR presses for the establishment of an all-German government, an extension of the Bonn Constitution to all Germany might be possible.

2. Views of US delegation on Italian colonies issues -- The US delegation at the UN recommends that US Embassy Rome be informed the US has no alternative but to support the British position on the Kalian colonies question. (The British are insisting upon sole UK trusteeship for Cyrenaica and upon limiting any arrangements for multilateral trusteeship to Tripolitania and the Fezzan.) The delegation recommends that the Embassy not only express the hope to the Italian Foreign Office that Italy will urge its supporters in the UN not to oppose the US-UK position but also point out that: (a) apparently the only alternative is failure by the UN to

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ertainly bring about a deterioration of the situation prejudicial to Italian interests; (b) the preservation of Cyrenaican security, which the British believe is endangered by postponement, is of paramount importance to all western powers; and (c) separate prior settlement on Cyrenaica would not seriously prejudice Italian interests, which would be taken into account in any final decision on the rest of Libya.

The US delegation also reports that a Latin American caucus has agreed unanimously both to vote against the Braish proposal and to insist on simultaneous disposition of all Libya. The delegation points out, however, that this position may change, particularly if the US strongly supports the UK, and that some Latin American delegates have indicated that their final attitude would depend on whether Italy concurred. The delegation reports that the Arab delegates also reacted unfavorably to the UK proposal and expresses the belief that other Asiatic states too would be opposed.

US concern over possible unilateral action in Cyrentica.—
The Department of State has advised the US delegation to express to the British delegation the view that it would be unvise for the UK, in case UN disposition of Cyrenaica should be postponed, to take such hasty and unilateral action as to extend recognition to the Emir of the Cyrenaican Senussi tribes and set up an autonomous state. The Department considers that in such an event the US might have to take a public stand critical of the UK, despite US understanding of the needs of the UK and British concern over the internal situation in Cyrenaica.

## VAR EAST

US Counselor Clark in Canton expresses the view that the videning rift between Li Tsung-jen and Chiang Kai-shek will so
fragmentize anti-Communist China politically that the National
Government will become little more than a regional authority.
(Li plans to continue resistance to the Communists with a bloc
of local Southwest China military leaders, while Chiang reportedly plans to make a last stand on Taiwan while awaiting
war between the US and the USSR.) Clark believes that the US
will have to scrutinize the situation carefully at that time in an
effort to determine whether continued recognition of the National
Government will make the US look ridiculous in the eyes of the
world.

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